

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4783-01
Bill No.: SB 1350
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Dept; Environmental Protection
Type: Original
Date: March 8, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
	FY 2005	FY 2006	FY 2007
General Revenue	(\$1,355,095)	(\$2,628,372)	(\$2,630,697)
Total Estimated Net Effect on General Revenue Fund	(\$1,355,095)	(\$2,628,372)	(\$2,630,697)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government*	(Unknown)	(Unknown)	(Unknown)

*Could exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** made the following assumptions regarding this proposal:

DESE assumes it could obtain air quality test kits for \$20 each. There are currently 2,289 school buildings, each of which have multiple rooms. For estimation purposes DESE assumes each building has ten rooms.

$$2,289 \text{ school buildings} \quad \times \quad \$20.00 \quad \times \quad 10 \text{ rooms} = \$457,800$$

DESE further assumes new construction will be required to accommodate HVAC systems necessary to provide 20 cubic feet per minute of fresh air into any building. Fresh air testing would require a Carbon Dioxide Emissions Meter, which would have to be used at various places within the building. Costs could approximate 25 cents per square foot with the average square footage of school buildings being 12,500.

$$2,289 \text{ school buildings} \quad \times \quad 12,500 \text{ square feet} \quad \times \quad \$0.25 = \$7,153,125$$

The proposal requires testing once every three years. DESE assumes these costs would be spread out over a three-year period; therefore, costs to implement the proposal could be allocated as

ASSUMPTION (continued)

follows:

\$7,610,925 / 3 years = \$2,536,975 per year

DESE assumes it will require 2.0 Supervisor FTE and 1.0 Administrative Assistant FTE to evaluate the indoor air quality of every school in this state a minimum of one time every three years; to establish standards for indoor air quality; to develop procedures for complaints; to prepare reports no later than 60 days after the inspection; to send the reports to the school's principal, school board, state board of education, and the person filing the complaint; and to make the reports public.

The proposal requires any school not meeting the standards to remedy the air quality problem not more than 60 days after the school's principal receives the report. DESE cannot estimate these potential costs, but assumes they could be significant.

Oversight assumes the inspections and administrative duties could be conducted by one Supervisor and one Administrative Assistant. **Oversight** assumes:

2,289 school buildings / 3years / 174 school days = 4-5 buildings per day for inspection. This should leave ample time for report preparation. **Oversight** also assumes actual inspections may not occur until the second half of FY 2005 in order to allow time to establish standards and develop procedures.

Oversight has also, for fiscal note purposes only, adjusted the salary and benefits of the supervisor and the administrative assistant to correspond with the range for starting salaries paid by DESE in 2002 for comparable positions.

In response to an identical proposal, officials from the **Department of Health and Senior Services (DOHSS)** stated this proposal does not pertain to any of their bureaus, therefore would not have a fiscal impact on their agency. They further stated that DOHSS has no statutory authority to do inspections of schools. The only time DOHSS would become involved in school air quality issues could be if a situation occurred that would come under the communicable disease rule.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Cost - Elementary and Secondary Education - Air Quality Inspections</u>			
Personal Expenses	(\$48,308)	(\$59,149)	(\$60,905)
Fringe Benefits	(\$19,550)	(\$24,047)	(\$24,648)
Equipment & Expense	(\$18,749)	(\$7,931)	(\$8,169)
Air Testing Costs	<u>(\$1,268,488)</u>	<u>(\$2,536,975)</u>	<u>(\$2,536,975)</u>
	(\$1,355,095)	(\$2,628,372)	(\$2,630,697)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$1,355,095)</u>	<u>(\$2,628,372)</u>	<u>(\$2,630,697)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
SCHOOL DISTRICTS			
<u>Cost - Air Quality Remediation</u>	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
* Could exceed \$100,000			

FISCAL IMPACT - Small Business

Small businesses dealing with air quality issues could see a positive fiscal impact as a result of this proposal.

DESCRIPTION

This proposal requires the Department of Elementary and Secondary Education (DESE) to adopt an indoor air quality program beginning January 1, 2006. Schools would be inspected and evaluated at least once every three years. DESE would develop procedures for handling complaints about air quality and establish minimum standards for air quality that are no less than the standards promulgated by specified national building and safety codes. Reports of the inspection results will be made public and sent to the building principal, the local and state school boards, DESE, and to persons filing complaints. Problems must be remedied within 60 days of receipt of the report.

LMD:LR:OD (12/02)

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 8, 2004